

EXHIBIT 25


**Transcript of Rimini Street's
Third Quarter Fiscal Year 2018
Earnings Conference Call held
on Nov. 8, 2018**

Rimini Street, Inc. NasdaqGM:RMNI

FQ3 2018 Earnings Call Transcripts

Thursday, November 08, 2018 10:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ3 2018-			-FQ4 2018-	-FY 2018-	-FY 2019-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	(0.18)	0.11	NM	(0.01)	(0.47)	0.09
Revenue (mm)	61.71	62.63	 1.49	62.64	246.80	284.57

Currency: USD

Consensus as of Oct-02-2018 5:44 AM GMT



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Call Participants

EXECUTIVES

Dean Pohl

Director of Investor Relations

Seth A. Ravin

Founder, CEO & Chairman

Thomas B. Sabol

Senior VP & CFO

ANALYSTS

Drew Timothy Foster

Citigroup Inc, Research Division

James Derrick Wood

*Cowen and Company, LLC,
Research Division*

Presentation

Operator

Welcome to Rimini Street's Third Quarter Fiscal Year 2018 Earnings Conference Call.

I will now hand the call over to Dean Pohl, Director of Investor Relations.

Dean Pohl

Director of Investor Relations

Thank you, Shannon.

I'd like to welcome everyone to Rimini Street's Third Quarter 2018 Earnings Conference Call. On the call with me today is Seth Ravin, our CEO; and Tom Sabol, our CFO.

Today, we issued our third quarter 2018 earnings press release, which can be found on our website. A reconciliation of GAAP to non-GAAP financial measures has been provided in the tables following the financial statements in this press release. An explanation of these measures is also included in the press release under the heading, Non-GAAP Financial Measures.

As a reminder, today's discussion will include forward-looking statements that reflect our current outlook. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from statements made today. We encourage you to review our most recent SEC filings, including our Form 10-Q for the third fiscal quarter, which was filed today for a discussion of risks that may affect our results or stock price.

Before taking questions, we'll begin with prepared remarks.

With that, I'd like to turn the call over to Seth.

Seth A. Ravin

Founder, CEO & Chairman

Thank you, Dean, and thank you, everyone, for joining us to review Rimini Street's third quarter 2018 financial results.

For the third quarter, we generated revenue of \$62.6 million, up 17% year-over-year, with annualized subscription revenue of \$250 million, up 17% year-over-year. Revenue retention rate for subscriptions, which is substantially all of our revenue mix currently, remained above 90% with approximately 80% of subscription revenue non-cancelable for at least 12 months on a rolling basis. We ended the quarter with 1,732 active Fortune Global 100, Fortune 500, mid-market, public sector and other clients across a broad range of industries and geographies, up 19% year-over-year.

During the third quarter, our global service delivery team closed more than 7,500 client support cases across 41 countries, delivered a gross profit of 64.5% and maintained an average client satisfaction rating of 4.8 out of 5 on the company's support delivery where 5.0 is rated as excellent.

We also proudly accepted 15 awards for client service, including Customer Service Department of the Year, Customer Service Leadership of the Year, Customer Service Team of the Year and Company of the Year.

We ended the third quarter with 1,092 employees, a year-over-year increase of approximately 20%.

Initiatives and investments. On last quarter's earnings call, we discussed the payoff and termination of our former credit facility through the issuance and sale of convertible preferred stock and common stock in July 2018. By eliminating the financial and operational covenants in our former credit facility, we are now able to invest more in growth activities that were previously limited such as increasing our sales and marketing infrastructure, expanding our global footprint, SaaS product rollout, new software support offerings and cross-selling opportunities.

During the third quarter, we increased our sales and marketing staff by approximately 33% year-over-year, launched new marketing campaigns and launched our new Business-Driven Roadmap sales strategy.

Offerings and vision. We have spent 13 years innovating our proprietary support tools, processes, methodologies and offerings and meeting the support and business needs of thousands of clients since the inception of the company. We offer up to 90% total cost of support savings on annual IT maintenance and support spend, provide a broader service offering, a more responsive service model and a higher quality of service.

Switching to Rimini Street support has enabled our clients to control their own IT strategy and roadmap. We call this a Business-Driven Roadmap, which allows clients to follow their own technology path to achieve competitive advantage and growth for their organizations. Rimini Street's Business-Driven Roadmap is completely different from the vendor-driven roadmap since the vendor-driven roadmap includes expensive, risky and time-consuming forced upgrades and migrations at a timing set by the vendor in order to remain fully supported and often results in much higher costs with lower ROI, value and service for clients.

By leveraging Rimini Street Business-Driven Roadmap, our clients have found they are able to optimize IT operating cost by leveraging a suite of Rimini Street services. In addition to our vendor replacement maintenance, the business we have been in for 13 years, we also now offer other support services that help optimize infrastructure investments by leveraging the public cloud, modernize application software with additional functionality, future-proof current technology for forward compatibility and interoperability, integrate and connect various software products in a hybrid system architecture, and secure systems with advanced security strategies, products and services.

The combination and collective value of Rimini Street's suite of services enable clients to substantially reduce cost, increase operating efficiencies, maximize the life and value of existing software assets and invest in innovation that enhances competitive advantage and growth.

Rimini Street is the global leader in helping clients successfully design and deploy over 2,600 Business-Driven Roadmaps. Our experience suggests that the Business-Driven Roadmap powered by Rimini Street can reduce a client's IT operating spend from 90% to 60% of their total IT budget when utilizing Rimini Street's suite of services, allowing the savings to be freed up for business initiatives and innovation.

As an example, I'd like to highlight one of our new 2018 clients, Grupo Positivo, a Brazilian holding company for education technology, printing and publishing, who recently switched to Rimini Street for its Oracle e-business Suite products used in its education division. The Positivo brand operates in more than 40 countries with its educational technology solutions. The organization serves undergraduate, graduate and continuing education students with traditional and online programs. More than 1 million students are assisted by Positivo's education system across Brazil alone.

Grupo Positivo estimates that it will be able to reduce its total maintenance costs by 70% and can now maximize the lifespan of its current stable Oracle applications for a minimum of an additional 15 years from the time they switch to a Business-Driven Roadmap powered by Rimini Street. Positivo intends to leverage the savings to enhance its IT environment, which includes investing in artificial intelligence and facial recognition systems across the business.

As the CIO of Grupo Positivo noted, "The transition to Rimini Street was well planned and completed quickly, and we are so pleased with the partnership and support we have received since we made the switch from vendor support. We have built a better world through education, technology and knowledge, and we needed to consolidate partnerships with highly specialized enterprises in order to achieve our business goals. The excellent service provided by Rimini Street has given us the agility and ability to empower Grupo Positivo's entire IT environment. We are now able to dedicate time to analyzing the adoption of new technologies as leveraging advances in technology is an important competitive differentiator for us."

Competition. Competition with our primary competitors, Oracle and SAP, remains fierce. Both software vendors are engaged in massive efforts to force their software licensees to upgrade and migrate from

current stable software releases to the vendor's newest, still-maturing software. As adoption rates are low, the software vendors are attempting to achieve this goal by retiring many popular releases from full support around 2025, releases currently in use by tens of thousands of licensees. Thus, the vendor roadmap for many Oracle and SAP licensees involves significant mandatory upgrade and migration investments and budget, time and resources that many licensees consider a low value, a poor return on investment and that will drive neither competitive advantage or enable growth. Following the vendor roadmap may hamper focus and investment on innovation projects that their business needs.

We believe this forced retirement of popular and stable releases by Oracle and SAP creates an even stronger demand environment and opportunity for Rimini Street's Business-Driven Roadmap alternatives through 2025. Licensees can get off the vendor roadmap with a switch to Rimini Street and avoid any vendor upgrades and migration since Rimini Street will provide a minimum of 15 years of guaranteed additional support for their current stable releases with no required expensive, risky or resource-intensive upgrades or migrations.

With respect to Oracle, it appears that its sales, financial challenges and apparent fear of Rimini Street's strong value proposition and growing list of more than 2,600 client signs since inception is fueling its misleading and increasingly desperate marketing campaigns and sales tactics. We are now seeing Oracle engaging in apparent substantial discounting of annual support fees in competitive bids against Rimini Street. This is something that is rather new competitive response from Oracle and we believe shows the weakness of their support value proposition and concern about growing client losses to Rimini Street.

With respect to SAP, we are also seeing what appears to be more aggressive discounting. It has been our experience that SAP has always provided its clients more individual discounting as compared to Oracle, but we are definitely seeing increased levels of discounting by SAP as it also appears to be more desperate to retain support clients and revenue.

While Oracle and SAP's aggressive discounting has caused some Rimini Street deal losses that we otherwise believe we would have won, the pricing of the annual support services only accounts for about 1/3 of a client's expected savings switching to Rimini Street support and even less of the total savings when considering the savings from utilizing the full suite of Rimini Street products and services. Therefore, even if the software vendors would have match Rimini Street's discounted annual support fees priced at 50% of the vendor's current fees, which could lead to substantial loss of support revenue for the vendors, clients still receive a better overall value with Rimini Street's Business-Driven Roadmap. A switch to Rimini Street provides licensees more total cost savings, a broader breadth of services not included with the vendor's standard support model, and more responsive and better support experience, more control over their IT environment, and the agility to invest in business initiatives and innovation that create competitive advantage and support growth.

Rimini Street successfully closed 110 net new client deals in the third quarter.

Oracle litigation status and developments. As discussed in previous earning calls, we have 2 different ongoing litigation matters with Oracle. Oracle's litigation against Rimini Street filed in 2010 that is in the appeal stage for a second time and that is referred to as Rimini One, and Rimini Street's litigation against Oracle, filed in 2014 that is in the pretrial stage and referred to as Rimini Two.

With respect Rimini One and taking into account our successful first appeal, we prevailed in 11 out of 12 claims alleged by Oracle in Rimini One, with only a jury finding of innocent infringement related to support processes no longer in use. The innocent infringement finding means that Rimini Street did not know and had no reason to know that its former processes were infringing.

In October 2016, Rimini Street paid the court judgment of approximately \$124 million to Oracle in full. So far, following its successful first appeal, Rimini Street achieved a refund of \$21.5 million from Oracle on March 30, 2018, and is still seeking an additional refund from Oracle of \$41.3 million through the appeals process.

In addition, on November 5, 2018, the Ninth Circuit Court of Appeals denied Rimini Street's motion for a stay pending appeal of the injunction issued by the District Court of Nevada on August 15, 2018. The

Court of Appeal order does not address the merits of Rimini Street's appeal. The injunction is virtually identical to the injunction that the Ninth Circuit originally vacated and it was purportedly intended to focus on the former support practices that were adjudicated as infringing in Rimini One and that Rimini Street longer uses and has not used since July 2014 at the latest.

As was the case with the previous injunction issued in 2016 that was vacated by the Court of Appeals in January 2018, the renewed injunction does not limit any sale or service for any Oracle products or restrict service deliverables Rimini Street provides its clients but rather defines the manner in which Rimini Street may continue to provide support services for certain Oracle product lines.

However, compliance with the injunction will increase the amount of labor required for Rimini Street to complete its support deliverables for some clients, therefore costing the company between \$1 million and \$4 million per year or 1% to 2% of revenue. For that reason and others, Rimini Street intends to continue pursuing its appeal of the injunction and the attorney's fees award.

With respect to Rimini Two, in addition to other causes of action, Rimini Street is seeking damages from Oracle for behavior that we believe was illegal and has materially impacted our new client sales since the second quarter of 2017. Oracle is also seeking damages from Rimini Street. Fact discovery is concluded, and the case is currently in a pretrial phase. Trial is not currently expected to occur until 2021 or later.

Summary. We remain focused on continuing investment in expanding our sales and marketing and client services capacity and capabilities to reach a broader prospect base who are not aware of the leverage of Business-Driven Roadmap strategy can provide an organization and are not fully aware of the compelling value proposition we offer with an expanded and growing suite of support products and services. As we have noted in previous earnings calls, we believe the investments being made across the company will lead to billings growth in 2019 and beyond.

I will now turn the call over to Tom Sabol, our CFO.

Thomas B. Sabol
Senior VP & CFO

Thank you, Seth.

Let me begin with a summary of our fiscal Q3 2018 results. As Seth noted, revenue for the third quarter was \$62.6 million, which represents an increase of 17% year-over-year. The revenue was near the high end of our guidance as a result of strong growth outside of the United States. Annualized subscription revenue was \$250 million, up 17% year-over-year.

Clients outside of the United States constituted 36% of total revenue in the third quarter and a revenue growth rate of 32% year-over-year. This has been and will continue to be an area of continued investment and expected growth for the company.

Gross margin was 64.5% in the third quarter of 2018, up from 62.5% in the third quarter of 2017.

While we currently expect full year 2018 gross margin to be around 61%, we currently expect our fourth quarter gross margin will be in the range of 59% to 61%, taking into account additional investment costs associated with the launch of new products, services and geographic expansion, along with higher on-boarding costs that typically occur in our fourth quarter due to the expected number of new customer wins.

Sales and marketing expenses increased as a percentage of revenue to 36% of revenue in the quarter, up from 31% in all of fiscal 2017. We currently expect to spend up to 37% of revenue on sales and marketing for all of fiscal 2018.

General and administrative expenses, which excludes outside litigation costs, was 13.7% of revenue in Q3 of 2018, down from 16% in the third quarter of 2017. Going forward, we expect G&A to continue to be a source of leverage in our model. However, as a result of being a new public company, we will continue to incur higher professional service and additional accounting infrastructure costs over the next few quarters, which may increase G&A as a percentage of revenue in the near term.

Litigation expense was \$7 million in the third quarter of 2018.

It should be noted that our outside litigation spend is not linear and can fluctuate each quarter based on litigation activities.

While litigation costs are generally expected to range between \$2 million and \$5 million per quarter, currently we believe that our fourth quarter costs will be in the range of \$5 million to \$6 million due to specific court activities in the quarter.

GAAP operating income was \$2.5 million for the third quarter of 2018 compared to operating income of \$7.4 million for the same period last year. The variance is primarily driven due to litigation expenses being over \$6 million higher than the third quarter of 2017 due to increased cost and lower deferred litigation insurance recoveries.

Non-GAAP operating income improved to \$10.7 million for the third quarter of 2018 compared to \$8.9 million for the third quarter of 2017.

The combined total for interest expense and other debt financing expenses was \$57.9 million for the third quarter of 2018 compared to \$11.7 million for the third quarter of 2017. The increase was primarily due to the noncash write-off of debt discount and issuance costs of \$47.4 million in the third quarter of 2018 related to the payoff and termination of our former credit facility.

Other non-operating income and expenses for the third quarter of 2018 resulted in a net gain of \$7.5 million as compared to a net expense of \$4.3 million in the same period a year ago. The improvement in 2018 was primarily due to a \$7.8 million gain that resulted when all embedded derivatives were eliminated upon the payoff of our former credit facility in July 2018.

We had a net loss of \$48.4 million in the third quarter of 2018 compared to a net loss of \$9 million in the same period of the prior year. The increase in our net loss in 2018 was driven by the write-off of debt discount and issuance costs of \$47.4 million, as mentioned previously.

Non-GAAP net income for the third quarter of 2018 was \$6.7 million compared to a non-GAAP net loss of \$3.1 million in the third quarter of 2017.

Basic and diluted net loss per share was \$0.85 in the third quarter of 2018 compared to a net loss of \$0.37 per share in the third quarter of 2017.

Adjusted EBITDA for the third quarter of 2018 improved to \$10.8 million compared to \$9.5 million for the third quarter of 2017.

Deferred revenue in the third quarter of 2018 was \$174.6 million compared to \$153 million in the third quarter of 2017, an increase of 14% over the prior year period.

As previously announced, we completed the refinancing of our former credit facility with \$140 million of convertible preferred stock and common stock in the third quarter. At the end of the third quarter of 2018, all of our long-term debt has been repaid and we only had approximately \$3 million in a short-term note outstanding at the end of the third quarter of 2018.

We ended the third quarter with \$23.9 million of total cash on our balance sheet. Cash flow from operations in the third quarter of 2018 was an outflow of \$9.6 million compared to an outflow of \$4.4 million for the third quarter of 2017.

Now with respect to go forward guidance. We expect revenue to be in the range of \$63 million to \$65 million in the fourth quarter of 2018. In addition, the company is tightening full year 2018 revenue guidance to now be in the range of \$248 million to \$250 million, which is at the high end of our previous guidance.

And with that, operator, we'll now take questions.

Question and Answer

Operator

[Operator Instructions] Our first question comes from Derrick Wood with Cowen and Company.

James Derrick Wood

Cowen and Company, LLC, Research Division

So Seth, you guys have obviously been hard at work expanding sales capacity, making some tweaks to your sales structure and go-to-market. Maybe you could spend some time talking about what you see working well and how you're feeling about continuing to build that momentum into Q4 and next year.

Seth A. Ravin

Founder, CEO & Chairman

Sure, Derrick. I think, again, like every other tech company out there, not only are we hiring sales reps but the support staff that goes around it. For example, for every 3 sales reps, we hire a lead-gen person and we hire an inside sales rep. So there's a multiple group of people. We also -- we spent more time this quarter building out staff that was not as many about sales reps but sales infrastructure. We hired new GMs of North America. We're maturing our GM for Europe. We added in a bunch of new directors, vice presidents. So a lot of infrastructure around those sales reps so that we could then finish off hiring the rest of the sales rep with more leadership to do that hiring. And I think, again, like every technology company, it feels like you're in negative unemployment when it comes to hiring great sales talent. It is challenging. And I think we got a lot of good people hired. As you saw, we were over 30% higher in sales and marketing heads year-over-year. So we certainly are getting the hiring done. But I think what's working for us, what's really working well is our new focus on Business-Driven Roadmaps. This is a huge change. And I mentioned it in my prepared remarks, talking about the fact that Rimini Street is really in the business of helping people find an alternative roadmap to the vendor. And with all of these releases being forced into retirement, the idea that customers can have a status quo for years longer is coming to an end. They're going to have to make a decision whether they're going to go down the vendor's path, make the investments, move to the products and releases they want or they're going to have to make a decision to do something else. And Rimini Street is the leader in doing something else in those Business-Driven Roadmaps. That's really compelling. And I'll give you an example of how big the reception is to it. We do Gartner events every year, the Gartner Symposium around the world. The largest crowd we have ever had at one of our sessions and really big, was 150 people. I just went down and did the presentation in Orlando where that 150 people was our max historically. We had 700 attendees. And we just did -- did one in Brazil, standing room only, over 200 people. We just did Barcelona this week, again, packed room, over 500 people. And we got every seat sold out in the room in Japan, over 200 people. I think it's clear that road mapping is the #1 challenge for CIOs and we are right in the sweet spot to help them find their way.

James Derrick Wood

Cowen and Company, LLC, Research Division

Great. And I guess that's good for my next question. Sounds like there's a lot of interest. Now in the quarter, you had a nice sequential uptick in new customer generation and that's despite your comments around the competitive landscape. So can you talk about the types of new clients you're on-boarding, the mix of large versus mid-market or product mix or geo mix, change much?

Seth A. Ravin

Founder, CEO & Chairman

Well, I think, again, you're seeing international do very well. Of course, it's on the smaller base, right, so you have to look at the percentage increase accordingly. But there is tremendous growth coming from the international side. North America is a little more mature. We are very focused on the North American engine. The international engines are relatively new. And I think, again, the problem, not just for Rimini

Street but North America customers are so overwhelmed with sales, brochures and calls, it is hard for everybody to get the attention just to get in the door and spend time with people. And I'm sure like me you're deleting 50 emails a day from everybody who wants to talk to you about something they want to sell you. So I think we've got a common issue in North America of a little bit of saturation from a marketing perspective. But once we get in front of someone and we talk about the roadmap, we move forward very nicely. It's a great strategic discussion where we can add value.

James Derrick Wood

Cowen and Company, LLC, Research Division

And how about -- I didn't hear anything on the new Salesforce offering. I know it's early, but any feedback so far now that you're in the market?

Seth A. Ravin

Founder, CEO & Chairman

Well, I think we continue to build out that program. We've been hiring around sales, engineers, we've been hiring support people. So the hiring has continued in the third quarter. We still have some work to do to figure out. There's a whole different lingo, as you know, in the Salesforce world, in the SaaS world than the traditional license. And it's been a learning curve for us. And it's not about software support, it's really about some concepts that are slightly different and being able to walk and talk the way the customers want us to talk. And so we have to go through a little bit of a learning curve. I'm learning every day, still. Even though we're big Salesforce users and we're closely working with them, there's just still an education curve for us to bringing up a lot of people around the company. So I still think we are exactly where we wanted to be, which is continuing to build the internal infrastructure and be in a position to go GA with services in 2019.

James Derrick Wood

Cowen and Company, LLC, Research Division

Okay. One more for you, Seth, and then I have a couple for Tom. But what are the next steps with regards to the appeal on the injunction?

Seth A. Ravin

Founder, CEO & Chairman

Well, the next step is we wait for a court date. We now are before the Ninth Circuit once again. It looked like -- and from what we could tell, looks like the same judges that heard -- 2 of the 3 same judges will likely be involved. We don't know that for a fact yet. But certainly, that gives our judges more information and less of a learning curve. And we hope to get in front of the court within the year.

James Derrick Wood

Cowen and Company, LLC, Research Division

Within a year. Okay.

Seth A. Ravin

Founder, CEO & Chairman

I know these timetables seem to go on forever. I mean, we're back. It's deja vu. This whole process, it's unfortunate that -- I mean this is the way the U.S. court system works. You go back, you go back again, and it seems to go on and on. But I do think we will reach resolution, but it could take us another couple of years to get it done.

James Derrick Wood

Cowen and Company, LLC, Research Division

Okay. Tom, you had an amazing gross margin number this quarter. What was the reason for the shrink? And then you did give some guidance on Q4. Does that contemplate the higher costs associated with the injunction?

Thomas B. Sabol

Senior VP & CFO

So Derrick, the third quarter was a good quarter. Really leveraging the work that we've done with adding new tools and new processes, so good leverage there. And yes, the guidance in Q4 does assume the additional labor costs associated with having to do things more manually because of the injunction being back in place.

James Derrick Wood

Cowen and Company, LLC, Research Division

Okay. And on sales and marketing, 37% of revenue for the year. I think that's a little bit lower than the previous forecast. So is on-boarding a little slower, more back-end loaded? Or were there other expenses you were able to rationalize on?

Thomas B. Sabol

Senior VP & CFO

So -- and Seth can give you probably more color. Yes, we're going to be -- we're going to still do about 40% for the quarter, 37% for the year. I think the -- we've done a lot of work, as Seth indicated, on the infrastructure side of the sales. We think it's just -- as he mentioned, it's being a little bit more difficult to hire the individual sales reps, and we think it's just going to take a little bit longer. So that's really the main reason for ratcheting that number down a little bit from what we had in the last quarter call.

Seth A. Ravin

Founder, CEO & Chairman

Can't spend what we can't hire, right? So that's where we're going to come in a couple of points lighter. We still expect to hit the 85 sales rep target. My guess is it's going to be more like February. So before we give our next earnings call, we should be at 85 number. We're probably not going to make that a number of sellers by year-end. So we're probably a couple of months shy of our target.

Thomas B. Sabol

Senior VP & CFO

And Derrick, actually, it's probably in the 80 to 85 range. That's probably the range we're looking at by the time we announce earnings.

James Derrick Wood

Cowen and Company, LLC, Research Division

Yes. Okay. Lastly, Tom, any comment on the mix of contracts with contingent clauses and whether that had any discernible bearing on deferred revenue?

Thomas B. Sabol

Senior VP & CFO

Actually, in this quarter, it did not. We're essentially kind of consistent with where we were last quarter, so that's why there wasn't any comments in my prepared remarks around that. So that did not have an impact on the calculated billings for the quarter.

Seth A. Ravin

Founder, CEO & Chairman

And your question, Derrick, about the contracts, we had \$1 million-plus contracts, we had good suite of midsize contracts, lot of manufacturing. We had a couple of bankruptcies from some of our bigger retailers. As you know, that's a pretty volatile area. So that would be on the negative side, unfortunately. But I think those are going to work through for us, okay, even though it's tumultuous, obviously, for the retailers. But generally, I think we're having a good, broad distribution of size, geography, some really good quality names in the mix as well. So yes, we felt pretty good about the mix for the quarter.

Operator

[Operator Instructions] Our next question comes from Drew Foster with Citigroup.

Drew Timothy Foster

Citigroup Inc, Research Division

Just one quick one on the revenue retention rate. It's still pretty high in the low 90s but was down sequentially. Is there a range that you're sort of comfortable working within or built into your projections?

Seth A. Ravin

Founder, CEO & Chairman

Yes. Drew, I think we look forward to the 90 -- over 90%. We don't get worked up about 1% or 2%. We also have a little more volatility in our revenue retention rate and -- than you find in most staff subscription business. It's just the nature of our business. Companies come and go, they bring us a product, they can leave, come back with another product. So it's not the same kind of churn that you see in a standard software company where you have the cadence of someone signs with you, they probably stay 10 years, then they may be up for someone else. You work in different cycles. Our customers can check in and check out products fairly regularly and a little more so than you have. And that's why the churn has to be looked at differently. But above 90%, we feel fine with.

Drew Timothy Foster

Citigroup Inc, Research Division

Got it. And then just last one, with the Salesforce partnership, with initial interest that you're seeing there, what's sort of your confidence level in that being a meaningful contributor to top line next year?

Seth A. Ravin

Founder, CEO & Chairman

In terms of being meaningful, material, those words for next year, I think it's a little too early to say given, again, just the ratio of total revenue when you think about meaningful. I really do think of the first year out as a big learning experience for us across different customers and geographies. So as we've been, we're going to be very conservative. Do the walk before we jog and jog before we run. But I can tell you that when we understand the market, we understand there's a lot of challenges for customers with Salesforce. And it's a great product, but they're playing project manager to hiring staff, trying to keep the contractors moving. There's a shortage of resources and knowledge. So there's a lot of various issues in managing their systems. And there's a lot of inefficiencies, and that really is ripe for disruption. And we really feel very, very good that we're building a program that will be that disruptive engine that changes the paradigm of a traditional SI billing by the hour to do implementations and then trying to live in a post-production world. So there are definitely areas, and we're seeing that. We're getting a lot of client interest in those areas. The question is how does remodel work within that? Does our model satisfy all those needs? Do we disrupt with the model that we're building? And those are the fine-tunings that we're doing now to make sure we have a real killer service to offer next year.

Drew Timothy Foster

Citigroup Inc, Research Division

Got it. And then maybe just one last one. You have this narrative of customers reducing their ERP maintenance spend so that they can unlock some more resources to invest in other areas. I'm just curious what you're hearing most often as being some of those -- those other areas that customers are wanting to focus more of their resources on.

Seth A. Ravin

Founder, CEO & Chairman

I think you've got machine learning, you've got AI. I mean, all your buzzwords that are out there in -- I'd say, IoT for the manufacturers, a lot of that. I think people are just generally excited that there are a lot of things again to create competitive advantage instead of focusing on which upgrades you're going to

have to do in order to keep being supported by the vendor and spending years doing upgrades that really won't provide them competitive advantage globally. I really -- I mean, what I'm taking away with all the attendants we're seeing, the follow-up from those events, road mapping is just the most complex issue of all. You're an IT leader, you're being asked to do a 3- to 5-year strategy when the software vendors themselves are making it up as they go along by the week. So you have to do the impossible to predict where technology is going to be, where you're going to invest in 3 to 5 years. As we all know in the technology business, it's like a lifetime. And so it is a very, very tough situation for CIOs who have these leadership and budget responsibilities. And the idea that they can sidestep all of this in terms of required upgrades and updates, it's huge. And I think you're going to watch this be a catalyst for significant potential upside for the company through 2025.

Operator

And I'm currently showing no further questions at this time. I'd like to turn the call back over to Seth Ravin for closing remarks.

Seth A. Ravin

Founder, CEO & Chairman

Thank you very much. And again, everybody, thank you for joining us for our call in the third quarter. We look forward to reconvening with everybody for the fourth quarter and full year 2008 (sic) [2018] results.

And again, have a great holiday season, and we will see you on the other side of the year. Thank you very much.

Operator

Ladies and gentlemen, this concludes today's conference. Thank you for your participation, and have a wonderful day.

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